

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:135

ANSWERED ON:11.03.2005

RECOMMENDATIONS OF THE 10TH FINANCE COMMISSION

Kuppusami Shri C.

Will the Minister of FINANCE be pleased to state:

- (a) the impact of the recommendations of the 10th Finance Commission on financial relations between Centre and States;
- (b) the time by which these recommendations are likely to be implemented;
- (c) whether by these recommendations, the demands of the States in respect of devolution of revenue from the Centre to States would be reasonably met; and
- (d) if so, the details thereof ?

Answer

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM):

(a) to (d) Recommendations of the Tenth Finance Commission for the period 1995-2000 were accepted by the Government of India and a copy of the report along with explanatory memorandum as to the action taken on the recommendations of the Commission was laid on the Table of the House on 14.3.95. During this period, an amount of Rs. 1,90,608.44 crore was transferred to States as their share in central taxes and duties and Rs.21,291.05 crore as grants, inclusive of grants for financing relief expenditure, totalling to Rs.2,11,899.49 crore. As the recommendations of Tenth Finance Commission were to be implemented during 1995-2000, no demands of States in relation thereto are relevant any more. Eleventh Finance Commission (2000-2005) recommended a total transfer of Rs. 4,40,209.26 crore based on estimated taxes share of States of Rs. 3,76,318.01 crore and grants of Rs. 63,891.25 crore. Upto March 7, 2005, an amount of Rs. 2,96,659.05 crore towards share in taxes and Rs. 63,648.87 crore for grants have been released {inclusive of grants for financing relief expenditure}. Government of India has accepted the recommendations of Twelfth Finance Commission amounting to Rs.6,13,112.02 crore as estimated share of taxes and Rs.1,42,639.60 crore as grants totalling to Rs.7,55,751.62 crore.